

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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In the Matter of

Implementation of the Subscriber
Carrier Selection Changes Provisions of
the Telecommunications Act of 1996

Policies and Rules Concerning
Unauthorized Changes of Consumers
Long Distance Carriers

Stratos Telecom, Inc. and Stratos
Offshore Services Company Request
for Waiver

CC Docket No. 94-129

PETITION FOR EXPEDITED WAIVER OF COMMISSION'S RULES

Stratos Telecom, Inc. and Stratos Offshore Services Company

(collectively "Stratos") hereby petition for a waiver of the Commission's subscriber verification rules to allow Stratos to transfer Rig Telephone Inc.'s ("Datacom's")

customer base without first obtaining each subscriber's authorization and verification.¹

As set forth below, good cause exists for this waiver because the general purpose behind the rule will be fulfilled by the measures proposed by Stratos. In addition, the waiver will serve the public interest because it will ensure that there is not a disruption in service for the customer accounts that are affected by the change in carrier. Stratos requests expedited treatment of this waiver request so that Stratos and Datacom may close their transaction as soon as possible.

¹ See 47 C.F.R. §§ 64.1100 – 64.1150.

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Pursuant to an asset purchase agreement between Stratos Global Corporation ("Stratos Global") (the parent company of Stratos Telecom, Inc. and Stratos Offshore Services Company) and Datacom, Stratos Global has agreed to purchase certain assets of Datacom, including Datacom's long-distance customer accounts. Upon consummation of this transaction, Stratos will provide the telecommunications services, including long distance, local and international telecommunications services, previously provided by Datacom.²

Stratos is concerned that strict compliance with the Commission's subscriber verification rules will result in unnecessary confusion and disruption of service to the current customers of Datacom. Specifically, Datacom's customer base consists of corporations and not individual consumers. Stratos (and Datacom) believe that attempts to receive written and electronic authorizations from these companies will go unanswered and many of Datacom's current customers will lose long-distance services, as well as other critical telecommunications services currently being provided by Datacom. Since Datacom is currently providing telecommunications services to numerous oil and gas companies, any disruption of service could seriously jeopardize the health and safety of these companies' workers and potentially threaten the environment. These special circumstances warrant a deviation from the Commission's

² After consummation of the transaction, the telecommunications services previously provided by Datacom will be provided by Stratos Offshore Services Company or Stratos Telecom, Inc. Each of the services provided by Stratos Telecom, Inc. and Stratos Offshore Services Company will be provided to customers under the brand name of "Stratos."

Rules in order to satisfy the public interest.³ Indeed, on prior occasions, the Commission has granted similar requests, including a recent request by Stratos involving similar circumstances.⁴

To minimize any confusion, Datacom will be sending a notice to each of its customers (customers under individual contract will be notified separately) to notify them of the agreement between Datacom and Stratos, and to indicate that their underlying carrier for all services, including long-distance, will be changing upon receiving regulatory approval. A copy of this notice is set forth in Exhibit A. In addition, this notice will: (1) notify Datacom's customers that Stratos does not have any immediate plans to change the current rates, terms and conditions of the telecommunications services previously provided by Datacom; (2) indicate that there will be no charge associated with the change in ownership; (3) clearly state that each customer is free to choose another telecommunications provider at any time; and (4) provide a toll-free number for any questions. Upon obtaining all necessary regulatory

³ See Northeast Cellular Telephone Co. v. FCC, 897 F.2d 1164, 1166 (D.C. Cir. 1990) ("The FCC may exercise its discretion to waive a rule where particular facts would make strict compliance inconsistent with the public interest"); Wait Radio v. FCC, 418 F.2d 1153 (D.C. Cir. 1969).

⁴ See Stratos Telecom, Inc. and Stratos Offshore Services Company Petition for Waiver, DA 00-676 (rel. March 27, 2000). See also International Exchange Communications, Inc. Request for Waiver, DA 99-1819 (rel. Sept. 10, 1994) (granting IECComm a waiver of the Commission's subscriber verification rules for purposes of its purchase of ITC's assets); MCI Worldcom, Inc. Request for Waiver, 14 FCC Rcd. 12264 (1999) (granting a waiver of "the authorization and verification requirements of the Commission's rules to the extent necessary to allow it to transfer customers of LDI to a subsidiary of MCI"); Primus Telecommunications Group, Inc. Petition for Waiver, 14 FCC Rcd. 12270 (1999).

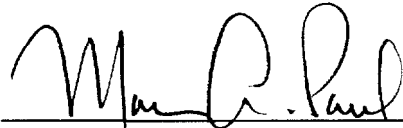
approvals, Stratos expects to send another notice notifying each of its customers that the purchase of Datacom's assets has been approved (see Exhibit B). Given the fact that these notices are being sent to sophisticated business consumers, both Stratos and Datacom are confident that there will not be any confusion as to the change in the underlying telecommunications carrier or the customer's right to choose another carrier. This situation is different from a case in which a long-distance carrier deceptively changes a customer's current long-distance provider – the specific case the Commission's Rules were meant to prevent. In addition, Stratos agrees to investigate and resolve any outstanding customer complaints that may have been filed against Datacom.

In light of the potential for disruption in service and in an effort to minimize the delay in consummating this transaction, Stratos requests expedited action on this waiver request. Waiver of the Commission's subscriber verification rules as set forth above would ensure a seamless transition to the provision of services by Stratos, while the notices sent to Datacom's customers will ensure that all affected customers understand the choices that are available to them.

Stratos respectfully requests that the Commission grant this request for an expedited waiver of the Commission's subscriber verification rules set forth in 47 C.F.R. §§ 64.1100 – 64.1150.

Respectfully submitted,

**Stratos Offshore Services Company
Stratos Telecom, Inc.**

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Their Attorneys

Dated: May 10, 2000



A



Dear Customer

As you may already be aware, Rig Telephones, Inc. d/b/a Datacom ("Datacom") has recently signed an agreement with Stratos, which will result in many of Datacom's assets being purchased by Stratos. Stratos is very committed to ensuring that Datacom's customers continue to receive excellent service while benefiting from the additional capabilities provided by Stratos which include a complete range of mobile and fixed satellite services.

The transaction will be finalized once government regulatory approvals have been obtained. At that time the Datacom name will disappear for many of Datacom's services and be replaced by Stratos, and Stratos will continue to provide your telephony services without interruption. Stratos has no plans to change the rates, terms and conditions of the local and long distance services that Datacom currently provides to your company. In addition, no charges or fees will be imposed as a result of the change in ownership. However, you are entirely free to choose another carrier to supply the local and long distance services currently provided by Datacom. No action is required if you wish to continue with Stratos as your telecommunications provider.

Once the regulatory approval has been received, an additional notice will be sent to you to indicate the date on which Stratos will become your company's carrier for the above mentioned telephone services. Although the name will change to Stratos, you will continue to deal with many of the people you have already come to know at Datacom. Should you have any questions, please call (800) 375-4000.

We look forward to your continued business.

Sincerely,

Rig Telephones, Inc. d/b/a Datacom

Dear Customer

As indicated in a prior letter to you, many of the telecommunications assets of Rig Telephones, Inc. d/b/a ("Datacom") were recently purchased by Stratos subject to regulatory approval. As of _____, this transaction has received all regulatory approvals and closed. Stratos is now your telecommunications service provider.

Stratos has no plans to change the rates, terms and conditions of the local and long distance services that Datacom currently provides to your company. In addition, no charges or fees will be imposed as a result of the change in ownership. However, you are entirely free to choose another carrier to supply the local and long distance services currently being provided by Stratos.

Although the name of the company has changed to Stratos, you will continue to deal with many of the people you have already come to know at Datacom. Should you have any questions, please call 1-800-375-4000.

We look forward to your continued business.

Sincerely,